

FILED  
CLERK OF COURT  
IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS: 34  
WORCESTER

ACADIA INSURANCE COMPANY,  
as subrogee of PETERBOROUGH OIL COMPANY, INC. :

Plaintiff,

v.

JASON J. TERHO

Defendant.

CIVIL ACTION NO. 04-12043 (RGS)

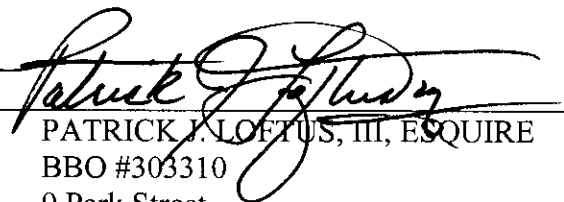
**JURY TRIAL DEMANDED**

**CORPORATE DISCLOSURE STATEMENT**

I, Patrick J. Loftus, III, Esquire, attorney for plaintiff Acadia Insurance Company, having filed an initial pleading in the above-captioned matter make the following disclosure to the Court pursuant to Local Rule 7.3(A) of the Local Rules for the District of Massachusetts:

**SEE ATTACHED**

BY:



PATRICK J. LOFTUS, III, ESQUIRE  
BBO #303310  
9 Park Street  
Suite 500  
Boston, MA 02108  
(617) 723-7770

Attorneys for Plaintiff,  
Acadia Insurance Company

**ACADIA INSURANCE COMPANY****W. R. Berkley Group****ACADIA INSURANCE COMPANY**

One Acadia Commons, Westbrook, ME 04092

Mail: P.O. Box 9010, Westbrook, ME 04098-5010

Web: www.acadiainsurance.com

Tel: 207-772-4300

AMB#: 11295

FEIN#: 01-0471706

Fax: 207-772-6104

NAIC#: 31325

**BEST'S RATING**

Based on our opinion of the company's Financial Strength and relationship with an affiliated reinsurer, which reinsures virtually all of the company's business, the company is assigned the Best's Rating of its affiliated reinsurer, Berkley Regional Insurance Company, which is A (Excellent). The company is assigned the Financial Size Category of Class X, which is the Financial Size Category of its affiliated reinsurer. Refer to the Preface for a complete explanation of Best's Rating system and procedure.

**RATING RATIONALE**

For a detailed discussion of the rating rationale, refer to the report of Berkley Regional Group.

**FIVE YEAR RATING HISTORY**

Rating as of July 22, 2004: A r

Date	Best's Rating	Date	Best's Rating
05/14/04	A r	08/30/01	A r
06/24/03	A r	03/21/00	A g
11/22/02	A r	06/14/99	A+ g

**KEY FINANCIAL INDICATORS (\$000)**

Statutory Data								
Period Ending	Direct Premiums Written	Net Premiums Written	Pretax Operating Income	Net Income	Total Admitted Assets	Policyholders' Surplus		
1999	158,675	92,546	-328	-714	190,201	42,107		
2000	166,392	-49,377	1,732	1,009	42,494	25,067		
2001	198,171	...	1,378	1,153	151,587	26,594		
2002	221,780	...	3,115	4,756	184,882	31,020		
2003	237,756	...	4,707	5,291	150,756	36,491		
Profitability			Leverage			Liquidity		
Period Ending	Comb. Ratio	Inv. Yield (%)	Pretax ROR (%)	NA Inv Lev	NPW to PHS	Net Lev.	Overall Liq. (%)	Oper. Cash-flow (%)
1999	105.1	4.7	-0.4	15.6	2.2	5.7	128.8	113.6
2000	...	2.4	...	3.6	...	0.7	243.8	34.8
2001	...	2.1	...	...	...	4.7	121.3	-99.9
2002	...	2.6	...	...	...	5.0	120.2	-99.9
2003	...	4.5	...	2.5	...	3.1	131.9	79.2
5Yr	148.7	3.5	11.5	...	...	...	...	...

(\*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement. Within several financial tables of this report, this company is compared against the Commercial Casualty Composite.

**BUSINESS REVIEW**

For a detailed discussion of business review, refer to the report of Berkley Regional Group.

**Direct Premium Writings By Product Lines:** Direct Premiums written at the last year end totaled (\$000) \$237,756, and were distributed as follows: Com'l MultiPeril, \$79,200; Ocean Marine, \$7,297; Workers' Comp, \$60,727; Comm'l Auto Liab, \$38,122; Auto Physical, \$14,317; Oth Liab Occur, \$19,476; Inland Marine, \$11,845; All Other, \$6,773.

**Major 2003 Direct Premium Writings by State (\$000):** New Hampshire, \$65,833 (27.7%); Maine, \$64,732 (27.2%); Vermont, \$42,839 (18.0%); Massachusetts, \$35,333 (14.9%); Connecticut, \$19,179 (8.1%); 6 other jurisdictions, \$9,841 (4.1%).

**CAPITALIZATION**

For a detailed discussion of capitalization, refer to the report of Berkley Regional Group.

**HISTORY**

The company was organized and domiciled in the state of Maine in April 1992 and was licensed on June 18, 1992; business was commenced in the third

quarter of 1992. Paid in capital of \$5,000,000 consists of 500,000 common shares at a par value of \$10 per share. Funding also includes paid-in surplus of \$34,301,000. The company has 500,000 shares authorized.

**MANAGEMENT**

The company became a directly owned subsidiary of Berkley Regional Insurance Company in 1996. Berkley Regional Insurance Company is a wholly-owned subsidiary of W.R. Berkley Corporation. Administration of the company's affairs is directed by chairman of the board, William R. Berkley and president, William C. Thornton.

**Officers:** President, William C. Thornton; senior vice president and chief financial officer, Charles A. Hamblen; vice president and secretary, Kathryn Whitmore (human resources); vice presidents, Andrew M. Burbank (information systems), Christopher B. Dowd (loss control), Jane Gordon (commercial lines), Judith E. Plummer (governmental relations), Steve Rich (claims); regional vice presidents, Roberta Amero (New Hampshire), Susan Grady (Maine), Paul McAuliffe (Massachusetts), Wes Raye (marine).

**Directors:** Eugene Ballard, William R. Berkley, William R. Berkley, Jr., Robert B. Cole, Charles A. Hamblen, Ira S. Lederman, Clement P. Patafio, William C. Thornton.

**REGULATORY**

An examination of the financial condition was made as of December 31, 2001 by the Insurance Department of Maine. An annual independent audit of the company is conducted by KPMG, LLP. An annual evaluation of reserves for unpaid losses and loss adjustment expenses is made by Michael Blake, PhD., ACAS, MAAA, Actuary, Acadia Insurance Company.

**Territory:** The company is licensed in DC, AZ, CO, CT, DE, KY, ME, MD, MA, MS, NH, NM, NY, OK, PA, RI, SC, TX, UT, VT and VA.

**REINSURANCE PROGRAMS**

The company is reinsured by its parent, Berkley Regional Insurance Company, through a 100% quota share.

**BALANCE SHEET****ADMITTED ASSETS (\$000)**

	12/31/03	12/31/02	'03%	'02%
Bonds	42,144	47,133	28.0	25.5
Preferred stock	4,762	3,333	3.2	1.8
Common stock	912	...	0.6	...
Cash & short-term invest	-1,390	6,641	-0.9	3.6
Investments in affiliates	12,571	13,547	8.3	7.3
Real estate, offices	3,718	3,805	2.5	2.1
Total invested assets	62,717	74,458	41.6	40.3
Premium balances	76,923	78,399	51.0	42.4
Accrued interest	607	649	0.4	0.4
All other assets	10,508	31,375	7.0	17.0
Total assets	150,756	184,882	100.0	100.0

**LIABILITIES & SURPLUS (\$000)**

	12/31/03	12/31/02	'03%	'02%
Conditional reserve funds	...	97	...	0.1
All other liabilities	114,266	153,765	75.8	83.2
Total liabilities	114,266	153,862	75.8	83.2
Capital & assigned surplus	39,301	39,301	26.1	21.3
Unassigned surplus	-2,810	-8,281	-1.9	-4.5
Total policyholders' surplus	36,491	31,020	24.2	16.8
Total liabilities & surplus	150,756	184,882	100.0	100.0

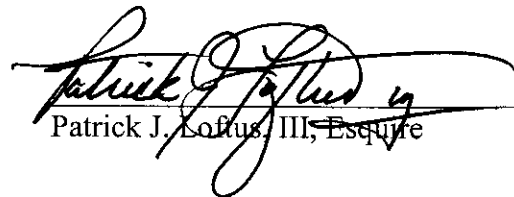
**SUMMARY OF 2003 OPERATIONS (\$000)**

Statement of Income	12/31/03	Funds Provided from Operations	12/31/03
Premiums earned	...	Premiums collected	-28,816
Losses incurred	...	Benefit & loss related pmts	-26,810
Underw expenses incurred	...	Underw expense paid	-3,724
Div to policyholders	...	Div to policyholders	405
Net underwriting income	...	Underw cash flow	1,312
Net investment income	3,025	Investment income	3,317
Other income/expense	1,683	Other income/expense	1,683
Pre-tax oper income	4,707	Pre-tax cash operations	6,311
Realized capital gains	584	...	...
Income taxes incurred	...	Income taxes pd (recov)	50
Net income	5,291	Net oper cash flow	6,261

**CERTIFICATE OF SERVICE**

I, Patrick J. Loftus, III, Esquire, hereby certify that on this 7 day of January, 2005, I did cause a true and correct copy of Plaintiff's Corporate Disclosure Statement to be served via First Class U.S. Mail, postage prepaid, upon the following:

Michael F. Ashe, Esquire  
Law Offices of Donna Gully-Brown  
446 Main Street, Floor 19  
Worcester, MA 01608

  
Patrick J. Loftus, III, Esquire